
From: de La Chapelle, Dominique
Sent: Monday, September 24, 2007 12:58 PM
To: Eady, Chip
Subject: RE: Dexia

Chip - I just left you a long voicemail with Steve DeGroat from Dexia. He's the guy we want to deal with in these direct purchases of City debt in CA. I gave him your phone number and email address. His phone number is 212 515 7177. Please give him a call at your convenience as I will be on vacation for the rest of this week. Thanks, Dominique

-----Original Message-----

From: Eady, Chip
Sent: Friday, September 14, 2007 9:39 PM
To: de La Chapelle, Dominique
Cc: Wheeler, Laura
Subject: RE: Dexia

Excellent, though our client in this transaction is the borrower (City of Bell), and discussions with Dexia have occurred only through the underwriter/placement agent (Wedbush Morgan Securities). Just so both of you are up to speed about the document and structure, attached is what we drafted for our borrower client which was accepted with minor changes by Umpqua Bank. Umpqua (derived from Umpquah, a regional Indian tribe in Oregon) is an aggressively growing and very well managed bank -- I was very impressed with them and their counsel (Foster Pepper in Portland). See <http://www.umpquabank.com/> -- people we should get to know better because they are lending on muni projects around growing areas of California in the north.

Chip Eady

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-----Original Message-----

From: de La Chapelle, Dominique
Sent: Friday, September 14, 2007 7:30 AM
To: Eady, Chip
Subject: RE: Dexia

Chip - Now I get it. What I would propose to do, subject to your thoughts, is approach the Bank, casually sort of, with the notion that NP in California is working on a structure for CA cities involving taxable bridge loans that circumvents the voter approval statutes and, oh by the way, would you be interested in knowing more. . . Now, unless they are as thick as I am (intellectually but not around the waist), the bulb should go on over their head quite quickly and I would expect them to jump on it. If not, I am 100% certain that other foreign banks we work with would be very interested as all of these folks are looking for new ways to

make a buck without competing at ridiculously low pricing for their product. Needless to say, I do nothing without you on this as this is "your baby". That said, if one of my banks, including Dexia, is interested, I would like to be involved and/or have Laura get involved since she is in CA. Let me know how you want me to proceed. Final question . . . What is Umpqua Bank? Is that for real or did someone just hang up a shingle? Dominique

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From: Eady, Chip
Sent: Thursday, September 13, 2007 10:19 PM
To: de La Chapelle, Dominique
Subject: RE: Dexia

Sorry to be so thin (on detail, at least). Dexia is considering making a taxable bridge loan to a city in lieu of the city doing a public offering of taxable bond anticipation notes. Because CA cities can't enter into typical bank loan debt without voter approval, we created a synthetic bank loan through the installment purchase structure reflected in the agreement we did for Crescent City CA and Umpqua Bank. This could readily fit what Dexia and the City may want to do. What I really wanted to know is (1) might Dexia be receptive to considering this form of documentation, (2) does Dexia have any history of similar transactions in CA, (3) if Dexia and the City proceed, do you want to be involved, and (4) how would you like to see this handled in light of your relationship with Dexia?

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From: de La Chapelle, Dominique
Sent: Thursday, September 13, 2007 6:52 PM
To: Eady, Chip
Subject: Re: Dexia

Chip - I am at a bit of a loss in trying to understand what it is you are asking me to do w/r/t Dexia. Sorry to be so thick. Dominique

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Eady, Chip
To: de La Chapelle, Dominique
Sent: Thu Sep 13 21:40:42 2007
Subject: Dexia

Dominique, looks like Dexia may make a taxable bridge loan to one of our City clients. Offhand, do you know whether they have done similar deals with other cities in CA and what docs they used? We just developed something brand new for a deal that closed today -- it works under both CA and federal law for cities, counties and school districts, and works equally well for a term loan as it does for the line of credit that was the focus of this transaction. Please keep this document to yourself for the time being, but if you have any comments or perspectives on whether we could coax Dexia into using something like it, that could expedite our transaction.

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01/07/2013

From: Eady, Chip
Sent: Tuesday, September 18, 2007 12:21 AM
To: de La Chapelle, Dominique
Subject: Re: Dexia

Yes

-----Original Message-----
From: de La Chapelle, Dominique
To: Eady, Chip
CC: Wheeler, Laura
Sent: Sun Sep 16 17:00:30 2007
Subject: Re: Dexia

So I have the greenlight to approach Dexia about this? Dominique

Sent from my BlackBerry Wireless Handheld

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From: Eady, Chip
To: de La Chapelle, Dominique
CC: Wheeler, Laura
Sent: Fri Sep 14 21:39:14 2007
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01/09/2013

From: Eady, Chip
Sent: Saturday, September 15, 2007 10:29 AM
To: Wheeler, Laura; de La Chapelle, Dominique
Subject: Re: Dexia

Laura, none is needed because the installment purchase structure is well settled in a pledged revenue context (special fund and/or annual appropriation). We used it for Oakland's tax-exempt pension bonds. For a non-revenue pledge situation we would use a lease (as for purchase of land). We can discuss at your convenience. Thanks, Chip

-----Original Message-----

From: Wheeler, Laura
To: Eady, Chip; de La Chapelle, Dominique
Sent: Sat Sep 15 12:52:46 2007
Subject: Re: Dexia

Sounds interesting.

Chip -- Do you file a validation action to confirm It works?

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From: Eady, Chip
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CC: Wheeler, Laura
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